

BILL: Senate Bill 1016
TITLE: State Employee and Retiree Health and Welfare Benefits Program –
Expansion of Participating Units
DATE: March 15, 2018
POSITION: OPPOSE
COMMITTEE: Finance Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE), representing all of the state's local boards of education, opposes Senate Bill 1016.

MABE strongly opposes this bill to mandate upon termination of current contracts for health insurance benefits, local boards of education, municipalities, and counties be forced to join the State Employee and Retiree Health and Welfare Benefits Program.

Under current law, an employee of a county or, municipal corporation, may enroll and participate in the health insurance benefit options established under the State Employee and Retiree Health and Welfare Benefits Program with the approval of the governing body of the county or, municipal corporation. Although MABE strongly opposes the mandate proposed in this legislation, MABE is supporting House Bill 1400 which would add local boards of education to this provision of law, making it a local option for school systems to join the State Employee and Retiree Health and Welfare Benefits Program.

MABE strongly supports the use of intergovernmental and cooperative purchasing practices by local and state governments and the overarching goals of greater efficiencies and cost savings for Maryland's taxpayers. Fortunately, Maryland's local school systems already routinely participate in numerous purchasing consortia and enter into cooperative purchasing agreements.

Specifically, the Eastern Shore of Maryland Educational Consortium (ESMEC) was formed in 1986 by the nine public school systems of the Eastern Shore of Maryland for the purpose of collaboratively working together to address the educational needs of the Shore. Two major functions of ESMEC include the Health Care Alliance and the Eastern Shore Energy Trust; and through these entities the collective purchasing power of Eastern Shore counties, municipalities and school systems has achieved substantial cost savings over the course of many years for local governments and taxpayers.

Again, MABE endorses local control and discretion in decision-making to enter into cooperative purchasing and intergovernmental agreements, and therefore strongly opposes Senate Bill 1016.

For these reasons, MABE requests an unfavorable report on Senate Bill 1016.